

16 SEP 1964

DD/S&T 2467-64

MEMORANDUM FOR: Director of Budget, Program Analysis
and Manpower

SUBJECT: Quarterly Economy Report

REFERENCE: BPAM 64-0724, dated 28 August 1964,
Same Subject

1. In furnishing this initial quarterly report, as in all subsequent reports, this Directorate proposes to take a broad gage approach in illustrating management approaches in accomplishing its mission with a minimum expenditure of money and utilization of personnel. It is our belief that one must view the endeavor to strive for economy in operations within, first, an over-all governmental reference, then at the successive levels of the Intelligence Community, the Agency and then the Directorate. If this approach, which we believe to be the correct one, is followed by all units of organization, then the purposes of the Administration in reducing yearly national expenditures will be better served than merely attempting at the lowest unit to inflict economies. The latter approach generally is successful only in reducing monies spent for pencils and telephone calls but is not susceptible to attacking substantive areas of responsibility wherein reside the greater opportunity to effect true savings.

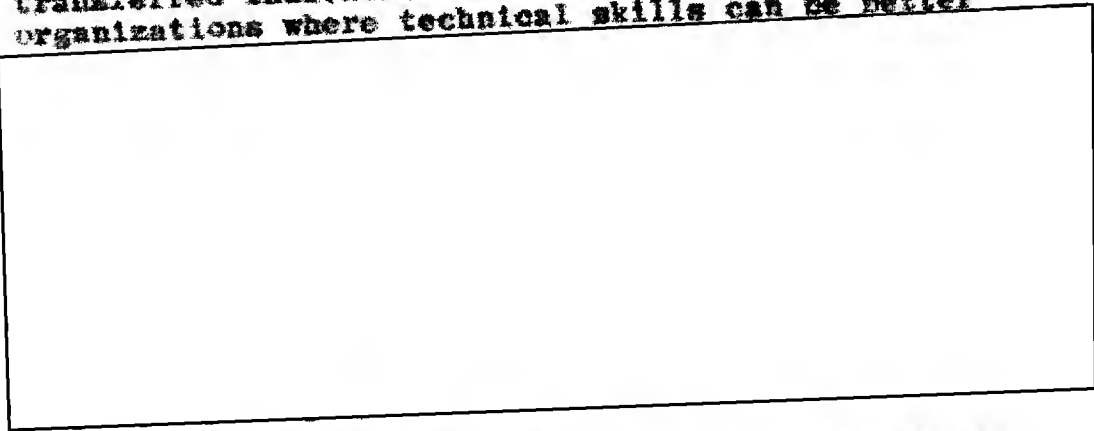
2. In implementing the above philosophy, we will recite in this report measures now underway which may be identified as investments in economy. These measures are designed so that upon the completion of the specific acts we will be able to accomplish both our current and perhaps additional responsibilities without having to seek greater funds or personnel ceilings. In the industrial sense they represent measures referred to as means to achieve greater productivity without expansion of financing, personnel or facilities.

- 2 -

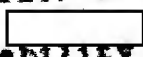
3. Various approaches being undertaken to obtain maximum results with minimum investment may be categorized as follows:

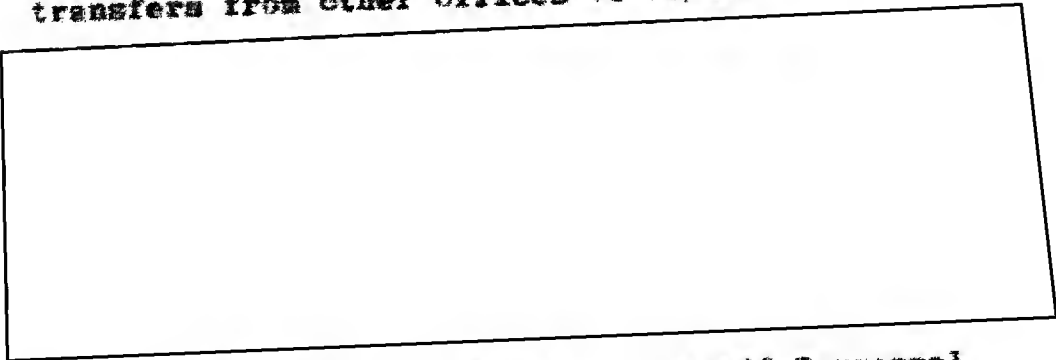
A. Organization and Personnel Realigaments

(1) FY 1964 has been a period of initial growth and fluid reorganization for DD/S&T. We have transferred individuals and elements of effort into organizations where technical skills can be better



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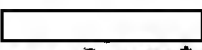
(2) An entirely new over-all capability in development of reconnaissance vehicles is being formed in the Directorate without significant additional manpower.  of the needed positions to implement this capability were obtained through transfers from other Offices of DD/S&T.



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B. Specialized Training for Staff Personnel

The skills of  scientific analysts were increased by supplemental training in telemetry analysis at contractors, colleges and NSA.

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- 3 -

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[] employees are being trained by an aerospace contractor in the utilization of scientific computers for analysis of missile and space vehicle trajectories. Both of these efforts will provide an eventual in-house capability which will result in the reduction of costs for outside contract assistance and, through a better understanding of the telemetry and trajectory analysis fields, improved utilization and management of contractor capabilities.

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D. Increased Utilization of In-House Capabilities

An in-house capability of significance is being developed for the production of special analog displays which are primary tools for the intelligence analysts in FMSAC, OSI, and OEL. These displays which would normally be produced by contractors for use by FMSAC and OSI will be produced in the Office of ELINT. Equipment cost [] will be the same whether for Headquarters (OEL) spaces or as GFE to contractors. The availability of the equipment for full time use in OEL for telemetry developmental

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SECRET

- 4 -

work and for technical training will allow us to achieve an in-house analog production capability serving the needs of three Offices of DD/S&T.

E. Maximum Utilization from Contractual Services

(1) ORD, OSI, and OEL are making strong efforts to achieve "stretch out" of their contracting load in order to avoid the hasty decisions inherent in fourth quarter negotiations and procurement. Significant progress was made toward this end during FY 1964; the ratio of third quarter to fourth quarter work was increased by 25 per cent in OEL and ORD. The objective this year is to bring part of the third quarter load into the second quarter and thereby minimize the problems attendant on massive contracting efforts in the last half of the year.

(2) Contracting Officers in DD/S&T are instructed to monitor the research and development contract programs of other government agencies with the intent of utilizing for intelligence purposes the basic and fundamental research, plus engineering development undertakings for space, military hardware, medical research, or other pertinent purposes. We find that often a small "piggy-back" effort added to a large research contract will provide the Intelligence Community with results worth many times their cost. A recent example of this type of effort is Project [] an ORD contract with the National Bureau of Standards, intended, through a relatively small investment, to capitalize on major, heavily funded research efforts in areas closely related to fields of interest to the Agency and the Intelligence Community.

F. Administrative Efficiencies

(1) Management controls, effective in enabling a reduction in overtime payments by 21 per cent in FY 1964 from FY 1963 payments, will continue to be held in effect. Where practicable, personnel will be urged to accept compensatory time in lieu of paid overtime.

SECRET

- 5 -

(2) Authority to travel will continue to be held at the highest practical supervisory level.

(3) Attention will be directed to effective records management practices; individual reference files will be discouraged in favor of central records repositories.

Signed

[Redacted Signature]

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for
Science and Technology

EO/DD/S&T: [Redacted] (16 Sep 64)

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